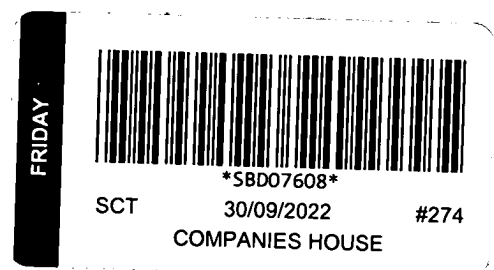
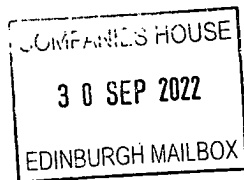


Intelek Limited

Registered number: 00464296

Annual Report

For the period ended 2 January 2022



INTELEK LIMITED

COMPANY INFORMATION

Directors	R Mehrabian N J Wargent
Company secretary	N J Wargent
Registered number	00464296
Registered office	106 Waterhouse Lane Chelmsford Essex England CM1 2QU
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor Apex 2 97 Haymarket Terrace Edinburgh EH12 5HD

INTELEK LIMITED

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INTELEK LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 2 JANUARY 2022

The directors present their report and the financial statements for the period ended 2 January 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The company's principal activity during the period was the administration of the Intelek Pension Scheme.

Directors

The directors who served during the period and thereafter, except as noted below were:

R Mehrabian
A Pichelli (resigned 15 October 2021)
N J Wargent

Company secretary

The company secretary who served during the period and thereafter, was as follows:

N J Wargent

INTELEK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 2 JANUARY 2022**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The trustees of the Intelek Pension Scheme, of which Intelek Limited is the sponsoring employer, have received a guarantee of all present and future obligations and liabilities to make payments to the scheme up to a maximum amount of £8,400,000 from an affiliated company.

Due to the nature of the company's operations, COVID-19, Brexit nor the conflict in Ukraine have an operational impact. These may however impact the future carrying value of the investments held by the Intelek Pension Scheme.

Thus the directors of Intelek Limited continue to adopt the going concern basis of accounting in preparing the financial statements.

Post balance sheet events

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The directors have taken account of these potential impacts in their going concern assessment.

This report was approved by the board and signed on its behalf.

Nick Wargent

N J Wargent
Director

Date: Sep 29, 2022

INTELEK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTELEK LIMITED

Opinion

We have audited the financial statements of Intelek Limited (the 'company') for the period ended 2 January 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 2 January 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INTELEK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTELEK LIMITED

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTELEK LIMITED

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend either to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: pension legislation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation and the Companies Act 2006.

INTELEK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTELEK LIMITED

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the valuation of the defined benefit pension scheme liability, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Anna Campbell

Anna Campbell (Sep 29, 2022 12:36 GMT+1)

Anna Campbell (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

Date: Sep 29, 2022

INTELEK LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 2 JANUARY 2022

	Note	Period ended 2 January 2022 £000	Period ended 3 January 2021 £000
Administrative expenses		(187)	(238)
Other operating income		-	5
Operating loss	4	(187)	(233)
Interest receivable and similar income	4	228	253
Interest payable and similar expenses	11	(15)	(15)
Profit before tax		26	5
Tax on profit	5	(9)	14
Profit for the financial period		17	19
Other comprehensive income/(loss) for the period			
Actuarial gains/(losses) on defined benefit pension scheme		670	(395)
Movement of deferred tax relating to pension deficit		(127)	75
Other comprehensive income/(loss) for the period		543	(320)
Total comprehensive income/(loss) for the period		560	(301)

The notes on pages 10 to 22 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 2 JANUARY 2022

	Note	2 January 2022 £000	2 January 2022 £000	3 January 2021 £000	3 January 2021 £000
Current assets					
Debtors: amounts falling due after more than one year	6	14,108		14,232	
Debtors: amounts falling due within one year	6	6,821		6,773	
		<u>20,929</u>		<u>21,005</u>	
Creditors: amounts falling due within one year	7	(102)		(82)	
Net current assets			<u>20,827</u>		<u>20,923</u>
Total assets less current liabilities			<u>20,827</u>		<u>20,923</u>
Provisions for liabilities					
Pension scheme liability	11	(563)		(1,219)	
			<u>(563)</u>		<u>(1,219)</u>
Net assets			<u><u>20,264</u></u>		<u><u>19,704</u></u>
Capital and reserves					
Called up share capital	9		4,379		4,379
Share premium account	10		14		14
Other reserves	10		5,758		5,758
Profit and loss account	10		10,113		9,553
			<u>20,264</u>		<u>19,704</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on Sep 29, 2022

Nick Wargent

N J Wargent
Director

The notes on pages 10 to 22 form part of these financial statements.

INTELEK LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 2 JANUARY 2022

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 30 December 2019	4,379	14	5,758	9,854	20,005
Comprehensive loss for the period					
Profit for the period	-	-	-	19	19
Actuarial losses on pension scheme	-	-	-	(320)	(320)
Total comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(301)</u>	<u>(301)</u>
At 3 January 2021	4,379	14	5,758	9,553	19,704
Comprehensive income for the period					
Profit for the period	-	-	-	17	17
Actuarial gains on pension scheme	-	-	-	543	543
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>560</u>	<u>560</u>
At 2 January 2022	<u>4,379</u>	<u>14</u>	<u>5,758</u>	<u>10,113</u>	<u>20,264</u>

The notes on pages 10 to 22 form part of these financial statements.

INTELEK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 JANUARY 2022

1. General information

Intelek Ltd is a private company limited by shares registered in England and Wales. The company's registered office and trading address is 106 Waterhouse Lane, Chelmsford, Essex, England, CM1 2QU. The company's registered number is 00464296.

The principal activity of the company is the administration of the Intelek Pension Scheme.

The functional currency of the company is Pounds Sterling as this is the currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest £'000.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The trustees of the Intelek Pension Scheme, of which Intelek Limited is the sponsoring employer, have received a guarantee of all present and future obligations and liabilities to make payments to the scheme up to a maximum amount of £8,400,000 from an affiliated company.

Due to the nature of the company's operations, COVID-19, Brexit nor the conflict in Ukraine have an operational impact. These may however impact the future carrying value of the investments held by the Intelek Pension Scheme.

Thus the directors of Intelek Limited continue to adopt the going concern basis of accounting in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JANUARY 2022**

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.4 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.5 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Pensions

Defined benefit pension scheme

Some of the company's former employees, along with other employees of fellow subsidiary undertakings, are members of the Inteltek Pension Scheme, a defined benefit pension scheme.

The amounts charged to operating profit are costs arising from outside administration services, investment advice and levies rendered during the period. The net interest cost on the net defined benefit liability is a charge to the Statement of Comprehensive Income and included within interest payable and similar charges. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JANUARY 2022**

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JANUARY 2022**

2. Accounting policies (continued)

2.10 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JANUARY 2022**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There are no critical judgements, apart from those involving estimates below, that the directors have made in the application of the company's accounting policies.

Key sources of estimation

The directors have relied on various assumptions and estimates by the actuaries to the Intelek Pension Scheme to establish the actuarial value of the scheme assets and liabilities. The key assumptions used to measure the pension liabilities are set out in note 11 of the financial statements. Any changes in these assumptions will impact the present value of the pension liability.

During the period, the valuation of the scheme liabilities has been updated to reflect an extended 'Barber Window' as confirmed by the trustees. The Barber Window being the period of pensionable service between 17 May 1990 (a date identified in the European Court of Justice's ruling in the case of Barber v GRE) and the date the scheme rules were equalised. As the Company had previously estimated the period associated with the Barber Window, the £4m increase in pension liabilities associated with this change has been recorded in other comprehensive income. It should be noted that this increase in scheme liabilities is an estimate at this stage as there are significant complexities involved in calculating the impact on an individual member basis.

In October 2018 the High Court determined that benefits provided to members who had contracted out of their pension scheme must be recalculated to reflect the equalisation of state pension ages between May 1990 and April 1997 for both men and women. The trustees of the Intelek Pension Scheme are currently reviewing, with their advisors, the implications of these rulings on the pension scheme and equalisation of the guaranteed minimum pensions between men and women. The estimated impact of GMP equalisation of the Intelek Pension Scheme is an increase of scheme liabilities as at 2 January 2022 of £926,000 (3 January 2021 - £973,000).

It should be noted that the GMP equalisation impact is also an estimate at this stage as there is inherent uncertainty across the industry regarding the GMP equalisation approach and there are significant complexities involved in calculating the impact.

Furthermore, following the outcome of a High Court case on 20 November 2020, transfers out of the scheme between May 1990 and October 2018 also need to be revisited and equalised for GMP (if applicable). No allowances relating to historic transfers out of the scheme have been made in the company's adjustment for GMP, due to the early stages of the review and the current lack of sufficient data to determine a reliable estimate.

INTELEK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JANUARY 2022**

4. Profit before tax

The profit before tax is stated after charging/(crediting):

	Period ended 2 January 2022 £000	Period ended 3 January 2021 £000
Auditor's remuneration	4	4
Interest receivable from group companies	(228)	(253)
	<u> </u>	<u> </u>

Aside from the directors, the company has no employees. The directors did not receive any remuneration in the current period or prior period.

5. Taxation

	Period ended 2 January 2022 £000	Period ended 3 January 2021 £000
Corporation tax		
Current tax on profits for the period	8	4
Adjustments in respect of previous periods	4	2
Total current tax	<u>12</u>	<u>6</u>
Deferred tax		
Origination and reversal of timing differences	(3)	(3)
Changes to tax rates	-	(17)
Total deferred tax	<u>(3)</u>	<u>(20)</u>
Taxation on profit on ordinary activities	<u>9</u>	<u>(14)</u>

INTELEK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JANUARY 2022**

5. Taxation (continued)**Factors affecting tax charge/(credit) for the period**

The tax assessed for the period is higher than (period ended 3 January 2021 - lower than) the standard rate of corporation tax in the UK of 19% (period ended 3 January 2021 - 19%). The differences are explained below:

	Period ended 2 January 2022 £000	Period ended 3 January 2021 £000
Profit on ordinary activities before tax	26	5
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (period ended 3 January 2021 - 19%)	5	1
Effects of:		
Change in tax rate on deferred tax assets	-	(17)
Adjustments to tax charge in respect of prior periods	4	2
Total tax charge/(credit) for the period	9	(14)

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

INTELEK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JANUARY 2022**

6. Debtors

	2 January 2022 £000	3 January 2021 £000
Due after more than one year		
Amounts owed by group undertakings (note 12)	14,000	14,000
Deferred tax asset (note 8)	108	232
	<u>14,108</u>	<u>14,232</u>

The deferred tax asset of £108,000 (3 January 2021 - £232,000) relating to the pension scheme deficit is considered to be recoverable in more than one year from the reporting date.

Amounts owed by group undertakings comprises a loan note of £14,000,000 repayable on 28 August 2023. Interest is payable quarterly at an annual fixed interest rate of 1.37255%.

	2 January 2022 £000	3 January 2021 £000
Due within one year		
Amounts owed by group undertakings (note 12)	6,819	6,764
Other debtors	2	9
	<u>6,821</u>	<u>6,773</u>

Amounts owed by group undertakings of £4,369,000 are unsecured, interest free and repayable on demand. Amounts owed by group undertakings of £2,450,000, which arise from financing activities between group entities, are unsecured, repayable on demand and are interest bearing at 3 months LIBOR plus a margin.

7. Creditors: Amounts falling due within one year

	2 January 2022 £000	3 January 2021 £000
Trade creditors	22	-
Corporation tax	8	4
Other creditors	72	78
	<u>102</u>	<u>82</u>

INTELEK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JANUARY 2022**

8. Deferred taxation

	2 January 2022 £000
At beginning of period	232
Credited to the Statement of Comprehensive Income	3
Charged to other comprehensive income	(127)
At end of period	108

The deferred tax asset, which is calculated based on a tax rate of 19% (3 January 2021 - 19%), is made up as follows:

	2 January 2022 £000	3 January 2021 £000
Pension deficit	108	232

The UK budget 2021 announced that the corporation tax rate will be increased to 25% from 1 April 2023. The provision was substantially enacted on 10 June 2021. UK deferred tax balances as at 2 January 2022, have been calculated based on the corporation tax rate of 19% being the relevant tax rate that is expected to apply to the period when the asset is realised as the liability is settled. At 3 January 2021, the UK deferred tax balances had been calculated on the corporation tax rate of 19%, the rate which was substantially enacted at that date.

9. Share capital

	2 January 2022 £000	3 January 2021 £000
Allotted, called up and fully paid		
87,583,572 (3 January 2021 - 87,583,572) Ordinary shares shares of £0.05 each	4,379	4,379

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JANUARY 2022**

10. Reserves

Share premium account

The share premium account represents the premium arising on issue of equity shares, net of issue expenses.

Other reserves

The other reserves represents amounts received from parent undertakings by way of capital contributions. These contributions were used to enable the company to make contributions to the defined benefit pension scheme.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

11. Pension commitments

Some of the company's former employees, along with other employees of fellow subsidiary undertakings, are members of the Intelek Pension Scheme, a defined benefit pension scheme. A full triennial actuarial valuation of the scheme was carried out as at December 2019 by Mr J Auty, Fellow of the Institute and Faculty of Actuaries.

The funding valuation showed that on 31 December 2019 there was a surplus of £3,394,000 on an ongoing basis. Whilst the company will continue to pay the administrative costs of the Intelek Pension Scheme, there are currently no one-off contributions agreed between the company and the trustees per the Schedule of Contributions dated 19 March 2021. However the company may pay additional contributions of any amount and at any time from those set out above.

Updated valuations of this scheme for FRS 102 purposes were carried out by a qualified actuary at December 2021.

During the period, the valuation of the scheme liabilities has been updated to reflect an extended 'Barber Window' as confirmed by the trustees. The Barber Window being the period of pensionable service between 17 May 1990 (a date identified in the European Court of Justice's ruling in the case of Barber v GRE), and the date the scheme rules were equalised. As the Company had previously estimated the period associated with the Barber Window, the £4m increase in pension liabilities associated with this change has been recorded in other comprehensive income. It should be noted that this increase in scheme liabilities is an estimate at this stage as there are significant complexities involved in calculating the impact on an individual member basis.

GMP equalisation

In October 2018 the High Court determined that benefits provided to members who had contracted out of their pension scheme must be recalculated to reflect the equalisation of state pension ages between May 1990 and April 1997 for both men and women. The trustees of the Intelek Pension Scheme are currently reviewing, with their advisors, the implications of these rulings on the pension scheme and equalisation of the guaranteed minimum pensions between men and women. The estimated impact of GMP equalisation of the Intelek Pension Scheme is an increase of scheme liabilities as at 2 January 2022 of £926,000 (3 January 2021 - £973,000).

INTELEK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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11. Pension commitments (continued)

It should be noted that the GMP equalisation impact is also an estimate at this stage as there is inherent uncertainty across the industry regarding the GMP equalisation approach and there are significant complexities involved in calculating the impact.

Furthermore following the outcome of a High Court case on 20 November 2020, transfers out of the scheme between May 1990 and October 2018 also need to be revisited and equalised for GMP (if applicable). No allowances relating to historic transfers out of the scheme have been made in the company's adjustment for GMP, due to the early stages of the review and the current lack of sufficient data to determine a reliable estimate.

Reconciliation of present value of scheme liabilities:

	2 January 2022 £000	3 January 2021 £000
Reconciliation of present value of scheme liabilities:		
At the beginning of the period	(28,631)	(26,960)
Interest cost	(336)	(474)
Actuarial losses	(437)	(2,407)
Benefits paid	1,231	1,210
At the end of the period	(28,173)	(28,631)

Reconciliation of present value of scheme assets:

	2 January 2022 £000	3 January 2021 £000
At the beginning of the period	27,412	26,151
Interest income	322	-
Return on plan assets	1,107	2,471
Benefits paid	(1,231)	(1,210)
At the end of the period	27,610	27,412

INTELEK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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11. Pension commitments (continued)

Composition of plan assets:

	2 January 2022 £000	3 January 2021 £000
Diversified growth assets	15,201	14,325
Debt securities	6,838	6,938
Property	615	600
Liability driven investment	4,755	4,750
Cash and others	201	799
Total market value of assets	27,610	27,412

The amounts recognised in the Statement of Comprehensive Income are as follows:

	2 January 2022 £000	3 January 2021 £000
Net pension interest cost	15	15

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2 January 2022 %	3 January 2021 %
Discount rate	1.8	1.2
Inflation assumption	3.5	3.3
Mortality assumptions:		
Weighted average life expectancy for mortality tables used to determine benefit obligations at the period end:	Years	Years
Male member aged 65 (current life expectancy)	22.1	22.1
Female member aged 65 (current life expectancy)	23.8	23.8
Male member aged 45 (life expectancy at age 65)	23.4	23.4
Female member aged 45 (life expectancy at age 65)	25.4	25.3

INTELEK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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11. Pension commitments (continued)

Movement in fair value of scheme liabilities were as follows:

	2 January 2022 £000	3 January 2021 £000	29 December 2019 £000
Present value of defined benefit obligations	(28,173)	(28,631)	(26,960)
Fair value of the scheme assets	27,610	27,412	26,151
Net liability	(563)	(1,219)	(809)

12. Related party transactions

The company is not required to disclose related party transactions entered into between two or more members of a group under FRS 102 section 33.

13. Post balance sheet events

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The directors have taken account of these potential impacts in their going concern assessment.

14. Ultimate parent undertaking and controlling party

The company's immediate and ultimate parent undertaking and controlling party is Teledyne Technologies Incorporated, a company incorporated in the United States of America. It has included the company in its group financial statements, which is the smallest and largest group for which group financial statements are available. Copies of the financial statements for Teledyne Technologies Incorporated are available from its registered office at 1049 Camino Dos Rios, Thousand Oaks, CA 91360.

In the directors' opinion, the company has no ultimate controlling party due to the listed status of the ultimate parent undertaking.